

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

JOHN J. FALCETTA,

Defendant.

INFORMATION

08 Cr.

08 CRIM 327

COUNT ONE

(Mail Fraud Conspiracy)

The United States Attorney charges:

The Scheme

1. From in or about October 2005 through in or about August 2007, in the Southern District of New York and elsewhere, JOHN J. FALCETTA, the defendant, and others known and unknown, engaged in a fraudulent scheme in which they used the mail and private commercial mail carriers on multiple occasions to cause the American International Group, Inc. ("AIG"), to make payment to the conspirators for sham services never actually rendered.

Statutory Allegations

2. From in or about October 2005 through in or about August 2007, in the Southern District of New York and elsewhere, JOHN J. FALCETTA, the defendant, and others known and unknown, unlawfully, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit an

offense against the United States, to wit, to violate Sections 1341 and 1346 of Title 18, United States Code.

3. It was a part and an object of the conspiracy that JOHN J. FALCETTA, the defendant, and others known and unknown, unlawfully, willfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud, including a scheme and artifice to deprive another of the intangible right of honest services, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice, and attempting so to do, would and did place in a post office and authorized depository for mail matter, a matter and thing to be sent and delivered by the Postal Service and would and did deposit and cause to be deposited a matter and thing to be sent and delivered by a private and commercial interstate carrier, and would and did take and receive therefrom, such matter and thing, and would and did knowingly cause to be delivered by mail and such carrier according to the directions thereon, such matter and thing, in violation of Title 18, United States Code, Sections 1341 and 1346.

Overt Acts

4. In furtherance of said conspiracy and to effect the illegal object thereof, the following overt acts, among others, were committed in the Southern District of New York and

elsewhere:

a. On or about April 17, 2006, Thomas R. Pombonyo, a co-conspirator not charged as a defendant herein, mailed to the attention of JOHN J. FALCETTA, the defendant, at AIG, in Manhattan, New York, a bogus invoice in the amount of approximately \$50,000, which invoice FALCETTA approved for payment on or about April 24, 2006.

b. On or about January 2, 2007, Gary J. Santone, a co-conspirator not charged as a defendant herein, mailed to FALCETTA's attention at AIG, in Manhattan, New York, a bogus invoice in the amount of approximately \$38,187.76, which invoice FALCETTA approved for payment on or about January 11, 2007.

c. On or about May 20, 2007, Justin Broadbent, a co-conspirator not charged as a defendant herein, mailed to FALCETTA's attention at AIG, in Manhattan, New York, a bogus invoice in the amount of approximately \$39,000, which invoice FALCETTA approved for payment on or about May 30, 2007.

(Title 18, United States Code, Section 1349.)

COUNT TWO

(Mail Fraud)

The United States Attorney further charges:

5. The allegations in paragraphs 1 and 4 are repeated, re-alleged, and re-incorporated as if set forth fully herein.

6. From in or about October 2005 through in or about August 2007, in the Southern District of New York and elsewhere, JOHN J. FALCETTA, the defendant, unlawfully, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, including a scheme and artifice to deprive another of the intangible right of honest services, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, to wit, a scheme to defraud AIG, for the purpose of executing such scheme and artifice and attempting to do so, placed in a post office and authorized depository for mail matter, a matter and thing to be sent and delivered by the Postal Service, and deposited and caused to be deposited a matter and thing to be sent and delivered by a private and commercial interstate carrier, and knowingly caused to be delivered such matter and thing by mail and by such carrier according to the direction thereon, to wit, FALCETTA caused associates of his to submit by mail, on multiple occasions, at least approximately 50 fraudulent invoices to AIG, totaling well over approximately \$1,000,000, in furtherance of the scheme to defraud.

(Title 18, United States Code, Sections 1341, 1346, and 2.)

COUNT THREE

(Money Laundering)

The United States Attorney further charges:

7. The allegations in paragraphs 1 and 4 are repeated, re-alleged, and re-incorporated as if set forth fully herein.

8. From in or about October 2005 through in or about August 2007, in the Southern District of New York and elsewhere, JOHN J. FALCETTA, the defendant, knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, did conduct and attempt to conduct such a financial transaction, affecting interstate and foreign commerce, which in fact involved the proceeds of specified unlawful activity, to wit, mail fraud, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership and the control of the proceeds of specified unlawful activity, to wit, FALCETTA, while an executive at AIG, fraudulently arranged for AIG to make payment to certain associates of his, in the amount of at least approximately \$1,088,481.40, for sham services never actually provided by such associates, and then arranged for such associates to pay kickbacks to FALCETTA via sham companies

controlled by such associates to a sham company controlled by FALCETTA.

(Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.)
FORFEITURE ALLEGATION

9. As the result of committing the offenses charged in Counts One and Two of this Information, JOHN J. FALCETTA, the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the offense, including, but not limited to, a sum of money equal to at least \$1,088,481.40 in United States currency, representing the amount of proceeds obtained as a result of the charged fraud offense.

Substitute Asset Provision

10. If any of the above-described forfeitable property, as a result of any act or omission of the defendant, JOHN J. FALCETTA:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third person;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be subdivided without difficulty;
it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendant(s) up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981(a)(1)(C),
Title 21, United States Code, Section 853(p);
Title 28, United States Code, Section 2461.)



MICHAEL J. GARCIA
United States Attorney

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08 Cr. (VM)

(Title 18, United States Code, Sections 1341, 1346, 1349,
1956(a)(1)(B)(i) and 2).

MICHAEL J. GARCIA
United States Attorney.
